



Medium Term Financial Plan and Business Unit Plans

Thursday 16 February 2017

Report of the Leader of the Council

Purpose of this Report

The purpose of this report is to gain Council's approval of the Revenue and Capital budgets for 2017/18 (and indicative budgets for the following three years). Also to approve the Net Budget Requirement, Council Tax Requirement and the level of Band D Council tax for the year. Finally, Council is asked to note the Business Unit Plans.

Background

Section 32 (10) of the Local Government Act 1992 requires the Council to set a balanced budget by 11th March of the preceding financial year. This report aims to fulfil that responsibility. It is the culmination of a lengthy process involving both Members and officers across the Council and includes engagement with both the public and partner organisations.

Strategic and Business Plans

The County Council conducted a review of the Strategic Plan starting at the Annual General Meeting in May 2016 as the previous Strategic Plan covered the period 2013-2017. This review took account of developments in Council Services, the Government's policy programme and the significant financial challenges on the horizon. The Strategic Plan 2017-20 contains the priorities focused around three key themes:

- a. Safeguarding the vulnerable
- b. Creating Opportunities and Building Self-Reliance
- c. Ensuring Buckinghamshire is Thriving and Attractive

The proposed Strategic Plan 2017-20 is set out in **Appendix A**. Council will be considering this document under a separate agenda item.

The Council is politically led and the Council operates four Business Units and a Head-Quarters function to manage its affairs. Cabinet Members sit on and lead each of the Business Unit Boards. **Appendix A (i to v)** sets out the executive summaries of the Commercial Business Unit Plans for the forthcoming year. The executive summaries set out the activities that each Business Unit will deliver under each of the Council's 3 strategic outcomes.

The plans provide a description of activities along with an overview of challenges and opportunities for the future. A budget overview is presented in each Plan along with some key contract information. The process of business planning is cyclical and is refined each year. We continually review the business and financial planning processes to improve the process for next financial year.

Local Government Finance Settlement

The Provisional Local Government Finance Settlement was published on 15th December 2016. In light of the significant pressures experienced nationally in Adults Social Care a number of key announcements were made in relation to funding for this function. A new, one-off 'Adults Social Care Grant' has been announced for 2017-18, which will be paid to those authorities with responsibility for Adult Social Care. This grant is funded through a reduction in New Homes Bonus payments for all authorities. Furthermore, it was also announced that those authorities providing Adults Social Care will be able to raise their Social Care precept by up to 3% in any of the following 3 years as long as the total increase does not exceed 6% in that period. Cabinet were updated of these changes at their meeting on 6th February.

The Final Local Government Settlement is not expected until 20th February, but since we have accepted the 4 year settlement offer from 2016/17 no material change is expected.

In terms of changes to the draft budget the net effect of the new Adults Social Care Grant and the associated reduction in New Homes Bonus payments received is an increase in funding of **£1.157m** in 2017/18.

Council Tax

During January information has been received from the District Councils, which are the collection authorities for the purposes of Council Tax. They have reported an estimate of their surplus or deficit on collection, the net effect of which is an additional **£3.093m** over that assumed in the draft budget. The District Councils have also confirmed figures for the Council Tax Base, which shows a decrease of **£0.357m** compared to that previously assumed.

Accepting the offer to increase the Adults Social care precept to 3% in 2017/18 and 2018/19 and 0% in 2019/20 increases available funding by **£2.49m** in 2017//18 and **£5.28m** in 2018/19. In 2019/20 funding is slightly reduced by **£0.082m** as a result of this decision.

Business Rates

From April 2013 a new funding regime was introduced allowing Council's to keep a proportion of business rates. After the Government keeps 50%, districts 40% and the fire authority 1%, the County's share is 9%. In this year there has been a national revaluation of all properties for the purposes of calculating Business Rates. As part of this the local figures for Business Rates collection are subject to change. However, any change is netted off by changes to the Top-up grant to ensure that no authority loses out as a result of the revaluation. The final figures from district councils are yet to be received, however we expect them to be in line with current assumptions. The slight increase in the Business Rate multiplier gives rise to an increase in Business rates received of **£0.077m**.

Consultation

In the autumn the County Council ran a general public consultation on its strategic priorities to gauge public opinion on which services are most valued and which less so. The results of the consultation were reported to Cabinet in early February. Following the Cabinet meeting in December, which agreed the draft budget, stakeholders also had an opportunity to e-mail any further comments for consideration. A meeting was also held with the Buckinghamshire Business Group in which the draft budget was discussed.

Revenue

The recommended 2016/17 revenue budget is attached at **Appendix 1**. **Appendix 2** sets out a summary of the changes from the previous year's budget and **Appendix 3** sets out these changes in more detail. These reflect the outcome of a robust challenge process including review by an examination in public by the Budget Scrutiny Committee (**Appendix 6**).

The Budget Requirement for 2016/17 excluding DSG is **£329.940m**. The Council is also required to agree its Council Tax Requirement. These budget proposals lead to a Council Tax Requirement of **£261.436m**, which equates to a 4.99% council tax increase including the Social Care Precept, or a Band D Council Tax level of **£1,218.08**. **Appendix 4** sets out the tax levels for each property band.

Capital Programme

The Capital proposals within the budget have followed a similar review and challenge process to revenue. **Appendix 5** details the schemes included within the recommended Programme together with the summary funding position. In 2017/18 the Programme includes a total investment of **£82.680m**, including **£24.02m** on school places and **£17.421m** on highways and footpath structural maintenance.

RECOMMENDATION

Council is asked to:

- 1. APPROVE the Revenue Budget for 2017/18 (and indicative budgets for the following three years) as set out in Appendices 1, 2 and 3 and a Net Budget Requirement of £329.940m in 2017/18;**
- 2. APPROVE a Council Tax Requirement of £261.436m and a Band D council tax, for County Council spending of £1,218.08 in 2017/18;**
- 3. APPROVE the Capital Programme as set out in Appendix 5;**
- 4. NOTE the Budget Scrutiny Report of the Finance, Performance & Resources Select Committee (Appendix 6);**
- 5. NOTE the Commercial Business Unit Plans.**

**MARTIN TETT
LEADER OF THE COUNCIL**

Appendix 1	Summary of the Revenue Budget 2017/18 to 2020/21
Appendix 2	Summary of changes to the budget
Appendix 3	Detailed changes to the budget
Appendix 4	Proposed Council Tax Levels by property band
Appendix 5	Capital Programme
Appendix 6	Report from the Budget Scrutiny Committee
Appendix A	Strategic Plan 2017-20
Appendix Ai	Business Services Plus Commercial Business Plan Executive Summary
Appendix Aii	Communities, Health and Adult Social Care Commercial Business Plan Executive Summary
Appendix Aiii	Children's Social Care & Learning Commercial Business Plan Executive Summary
Appendix Aiv	Headquarters Commercial Business Plan Executive Summary
Appendix Av	Transport, Environment and Economy Commercial Business Plan Executive Summary